



Review of rural and regional bus fares from January 2018 Maximum bus fares for regular bus passengers in rural and regional NSW

Byron Shire Council Submission

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Executive Summary

The Independent Pricing and Regulatory Tribunal of NSW (IPART) is undertaking a review of maximum bus fares across regional and rural NSW. There is an opportunity to respond and provide a submission to the issues raised in the review on behalf of the residents of Byron Shire.

Matters considered in the review include:

- the equity of current rural and regional bus fares compared to Sydney metropolitan bus fares
- the benefits and costs of simplifying the current fare structure
- issues related to travel across borders, including concession fares and different eligibility criteria between states
- the development of on-demand services in regional areas
- issues related to eligibility of concession fares in NSW and the level of subsidy provided by the NSW Government, and
- customers' willingness and capacity to pay given demographics and current service quality in regional NSW

Byron Shire is significantly disadvantaged comparative to the rest of the state, with incomes lower than the regional NSW average. In addition, focus on Public Transport is minimal in the Shire. It is important that a response be made on behalf the community to work towards more equity for those in the Shire without a private motor vehicle.

Introduction

The Independent Pricing and Regulatory Tribunal of NSW (IPART) determines the maximum fares public bus operators can charge passengers for these services in rural and regional NSW. The services are delivered by private bus operators under contracts with the NSW Government and administered by Transport for NSW (TfNSW), which define the services the operators provide and the payments they receive.

IPART's current fare determination for rural and regional buses is due to be replaced on 31 December 2017, and they are conducting a review to determine the maximum fares that will apply from the beginning of next year.

Matters considered in the review include:

- the equity of current rural and regional bus fares compared to Sydney metropolitan bus fares
- the benefits and costs of simplifying the current fare structure
- issues related to travel across borders, including concession fares and different eligibility criteria between states
- the development of on-demand services in regional areas
- issues related to eligibility of concession fares in NSW and the level of subsidy provided by the NSW Government, and
- customers' willingness and capacity to pay given demographics and current service quality in regional NSW

IPART will use the following criteria to guide their approach and decision-making for the review

1. promote the efficient delivery and use of public transport;
2. maximise benefits for customers ;
3. are logical, predictable and stable over time, and ;
4. consider the impacts on fare revenue and bus operator.

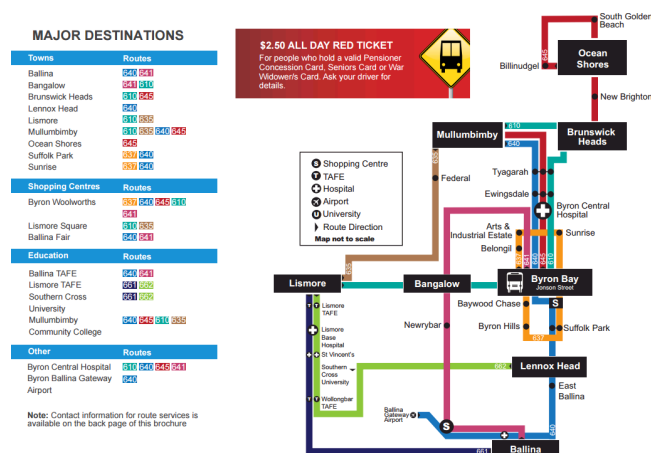
IPART states that in setting the maximum fares for public transport typically involves deciding:

- how to share the efficient costs of providing bus services between the people who use rural and regional services (customers) and the community (taxpayers)
- how to share customers' portion of the costs between different groups of customers, such as those who travel long distances versus those who travel short distances, and those who use the services frequently versus those who use them occasionally, and
- how to encourage both the efficient use and delivery of public transport services so as to get the most benefits from these services for the least cost.

Local Context

Bus Operators

Bus Operators in Byron Shire are currently Ballina Buslines and Blanch's Bus Company (Northern Rivers Transport. 'Byron Shire Transport Guide 2017' *Going Place* accessed 9th June 2017). A schedule of the current Bus Fares are included as **Appendix One**. The image below shows bus routes in the Shire:



Frequency of Routes can be viewed by visiting the website going places:

<http://www.goingplaces.org.au/regions/byron-shire/byron-bay/>

Socio-Economic Considerations (SEIFA)

- The Seifa Index for Byron Shire is 977. It is widely acknowledged that pockets of significant disadvantage exist within the Shire. The villages of Mullumbimby, New Brighton, Billinudgel, Main Arm, Upper Main Arm, Ocean Shores and South Golden Beach experience higher levels of disadvantage.

The five areas with the lowest IRSED index scores (ie. the areas of highest disadvantage in Byron Shire) were:

- Brunswick Heads (898.8)
- Mullumbimby (949.2)
- Rural North West (953.1) (including Main Arm – Upper Main Arm – The Pocket)
- Ocean Shores - New Brighton - South Golden Beach (964.1)
- Byron Bay (976.4)

Further, Byron Shire has a large number of people living in unauthorised and unreported dwellings on properties throughout the Shire, and a significant population of rough sleepers. In late 2016, a survey to determine the rate of homelessness was conducted across the Shire. Ninety-four people identified as having no secure housing option.

- Historically, unemployment has been persistently higher for Byron Shire and New South Wales. However, over the past year the rate has declined to 6.6% (September 2016 quarter). While this is higher than the Regional NSW average, it is a significant improvement from a peak rate of 11.4% in the September 2015 quarter. The

improvement in economic conditions has also driven growth in the labour force in Byron Bay, with an additional 1,800 people either working or looking for work. Youth unemployment is at 16.6%, which is higher than the national average.

- Incomes in Byron Shire are lower than the Regional NSW average. However, incomes are marginally higher than the Northern Rivers average. At the time of the 2011 Census, 12.6% of households were in the highest income quartile, earning more than \$2,275 per week.

Literature Review

Byron Shire Council Document “ Strategic Transport Statement (Transport Policy) from 2009) is the most current document relevant to Transport Planning in the Shire. It is a policy document intended to Guide “Development of a Potential Council Transport Strategy”. The relevant objectives from this document are in italics from the policy objectives below:

- *reduce the need for and/or dependency on private motor vehicle trips*
- *improve public transport;*
- support community transport;
- increase the bike network and/or use;
- *improve pedestrian and residential amenity;*
- support advocacy, partnerships and/or community involvement;
- improve road user safety;
- *improve integration and regional connectivity;*
- *support climate change adaptation and mitigation.*

Response to Questions

Number	Question	Draft Response
1	<p>Do you agree with our proposed assessment criteria for the review? Which ones do you think are most important and why?</p>	<p>The assessment criteria are valid, In order of importance they are:</p> <ol style="list-style-type: none"> 1. <i>maximise benefits for customers</i> – generally people using Public transport are more vulnerable- either low income, youth, or without car. In Byron Shire LGA, there are a myriad of social issues related to the cost of living for our youth and lower income groups, and minimising the gap between different social groups is of high importance. Parts of the Byron Shire, particularly to the north of the shire experience significant disadvantage. 2. <i>promote the efficient delivery and use of public transport</i> –Any discussion of efficiency here will include consideration of a cost component. In regional area it may be hard to provide cost efficiency due to the lower population densities and less people using Public Transport, as well as the greater travel distances. Notwithstanding, social equity needs to prevail. The right mix of public transport options needs to be considered for regional areas where standard routes do not necessarily meet need. 3. <i>are logical, predictable and stable over time.</i> This is important for measuring Performance and reliability for the customer as well as providing certainty for people’s employment, caring and social needs. Social isolation is a considerable problem for people living in regional communities and impacts on mental health and wellbeing as a result of isolation should transport be difficult to navigate and subject to change. 4. <i>consider the impacts on fare revenue and bus operators.</i> This is the least important as they already receive state monies and Public Transport should be a right to the individual.
2	<p>Do you agree we should determine fares for a five-year period? If not, what is the appropriate length of the fare determination?</p>	<p>Yes- there are economies of scale with conducting reviews and audits at medium term intervals. This helps to measure the efficacy of a plan.</p> <p>The five year fare determination period should also align with census data releases so the most up to date data is used.</p>
3	<p>Are there benefits of aligning the fare</p>	<p>Yes- if a private enterprise is benefiting from a state contract- they should stay the term; and this will also</p>

	determination with the term of bus contracts?	assist with measuring efficacy.
4	Do you agree with our proposed approach for estimating the total efficient costs of providing rural and regional bus services? Are there other approaches or issues we should consider?	Yes.
5	Do you agree with our proposed approach for estimating the efficient marginal costs of providing rural and regional bus services? Are there other approaches or issues we should consider?	Yes
6	What types of external benefits do you consider relevant in setting rural and regional bus fares?	<p>The benefits listed as being private to the user, compound and benefit the whole community:</p> <ul style="list-style-type: none"> • Access to Education; • Employment; • Health Services • Sporting facilities; • Reduced congestion; • Reduced pollution • Access to places of social interaction • Reduced impact on roads (wear and tear) • Community connection and interaction- opportunity for social engagement on the bus trip.
7	Do you agree that the fare structure should be simplified? If so, how many sections do you think are appropriate and why?	<ul style="list-style-type: none"> • Set Fares between towns

8	Do you think there should be a different fare structure (or number of sections) for country town and regional routes between towns and cities?	A possibility is to have the cost of travel between towns/cities/villages a set fee. E.g Byron Bay to Brunswick Heads \$2; Mullumbimby to Ocean Shores \$2. This would simplify the costing.
9	Do you think there should be daily or weekly caps for travel on rural and regional bus services? Should IPART determine these caps or are operators better placed to understand where these may encourage more efficient use of bus services?	Yes- they should be set by IPART.
10	Should fares be more equitable between Sydney metropolitan area and rural and regional areas of NSW?	It is noted that short trips are relatively equitable between Sydney metro and regional NSW. However Fares should be more equitable where longer distance trips are concerned. In regional areas people travel between regional centres to access education, employment, services and family connections. This travel may be multiple times per week. For example if a young person living in Mullumbimby attends university in Lismore, it would be expected that there would be up to 8 trips over at the maximum single adult fare equaling \$116 per week full price. Similarly, specialist medical services in larger regional communities are accessed by people from the Byron Shire.
11	Do you consider that eligibility for RED ticket targets the people with the greatest need for concession fares?	`Yes, however these should also include youth that are too young for a Driver License.
12	Should the price of the daily cap for the RED ticket change in line with the general change in adult fares?	No.

13	What do you consider are the biggest barriers to seamless bus travel in cross-border areas? To what extent do differences in fare structure between NSW and other states prevent travel across borders?	Types of tickets – perhaps a nation wide consensus on bus travel and ticketing.
14	Should there be a mutual recognition of some or all concession cards across state borders for those living in cross-border areas?	Yes
15	Do you agree that social inclusion should be considered in the context of service provision and service coverage when planning for public transport services in regional areas?	Yes this should be a primary consideration.
16	In your regional area, which groups of people are most likely to use on-demand services, and how could this change over time?	There is an argument that most people living in less dense areas (i.e. rural properties) would generally only live there if they had a car. However, those living in regional town centres may be able to get by and access most of their day to day services in their local centre by foot or bike, thus not requiring a car for a lot of the week, until they need to get out to the surrounding towns to get to other services/experiences not provided in their town. Some Youth living with family on property; or elderly no longer with a license may also need this service.
17	Which factors do you consider are most important when assessing the need for on- demand services in your regional area?	<ul style="list-style-type: none"> • Distance to township • Access & Disability • Number of people without licences (too old or young to drive) • Car ownership levels • Distance to Route • Road Quality
18	What types of delivery models for on-demand services could be used to meet the needs in your regional areas	<ul style="list-style-type: none"> • Services operating on a fixed route from a town centre to a designated point, after which they provide a flexible roaming service across a designated zone. • Designated points from one town centre to designated point in another town centre

	and who could provide them?	<ul style="list-style-type: none"> • Services providing Car Share – providers like Go-Get
19	In the context of the recent point to-point transport reforms, who could provide more on- demand services in your regional area?	Ride share and car share
20	What incentives could be developed to facilitate the provision of more on-demand services?	<ul style="list-style-type: none"> • Free advertising/ supported by council • Car parking spots reserved for ride share and care share entities in a central/prime location in the town. • Increasing frequency/decreasing wait times for on-demand services • Decreased introductory fares/hire fees or free trials for car share
21	Are there any constraints that could prevent the development of on-demand services in regional areas?	<ul style="list-style-type: none"> • Finding willing operators due to the risk of not making a profit, especially where private car use is so dominant • The relatively low densities of people living in the centre of a regional town or within close walking distance to the town centre. • Assuming some on-demand services have a meeting point/pick-up point in central locations – a lack of good pedestrian and cycle connections from adjacent residential areas to town centres. • Lack of secure bike parking next to on-demand pick-up points or in the town centre. • Currently, development controls for residential development in town centres discourage different diversity and density of housing, one of these controls being the requirement for a certain number of parking spaces per dwelling. If these requirements were lowered for small dwellings in the centre of town, there might be more infill of smaller dwelling options (therefore more residing close to the centre) and less reliance on the private car and more openness to on-demand service options.

Appendices

Ballina Bus Lines Fares

Fares

Fares charged on buses are approved by Transport for NSW

Fares vary for each section (approx 1.6 km)

Current Fares are set out below.

Sections	Adult	Child / Concession
1	\$2.30	\$1.10
2	\$3.40	\$1.70
3	\$4.30	\$2.10
4	\$5.00	\$2.50
5	\$5.70	\$2.80
6 & Over	\$6.00	\$3.00

Blanchs Bus Fares

Fares

Fares effective 03/01/2014

The Red Ticket provides Pension concession and Seniors card holders with unlimited same day travel for \$2.50.

Sections		Single Adult	Single Concession Child/Student (NSW)	Single Concession Student (Interstate)
1 Section		\$2.20	\$1.10	\$1.70
2 Section		\$3.20	\$1.60	\$2.40
Sector 1 (sections 3-4)	Ballina to Prospect Byron Bay to Suffolk Park Byron Bay to Sunrise Beach	\$4.00	\$2.00	\$3.00
Sector 2 (sections 5-6)	Ballina to Headlands Suffolk Park to Sunrise Beach Byron Bay to McOelligans Lane Ballina to Ballina Heights	\$5.00	\$2.50	\$3.80
Sector 3 (sections 9-12)	Ballina to Lennox (Ballina St) Byron Bay to Mullumbimby Byron Bay to Bangalow	\$6.60	\$3.30	\$5.00
Sector 4 (sections 13-16)	Ballina to Bangalow Suffolk Park to Mullumbimby Byron Bay to Lennox Head	\$7.60	\$3.80	\$5.70
Sector 5 (sections 17-20)	Ballina to Suffolk Park	\$8.60	\$4.30	\$6.50
Sector 6 (sections 21-24)	Ballina to Byron Bay	\$9.60	\$4.80	\$7.20
Sector 7 (sections 25+)	Ballina to Mullumbimby Lennox Head to Mullumbimby	\$10.00	\$5.00	\$7.50

Return tickets are double single fare

Red Ticket : \$2.50 unlimited same day travel
Valid with all Pension concession and Seniors cards.

Freedom Pass**
\$12.00 for unlimited daily travel

Weekly Freedom Pass**
\$36.00 for unlimited 7 day travel

**Freedom and Weekly Freedom Passes are only available for use on services as shown on the existing timetable. (Not available for New Year's Eve or Blues Festival)